



City of Columbus
Mayor Michael B. Coleman

Department of Development

Boyce Safford, III, Director

Office of the Director
50 West Gay Street
Columbus, OH 43215-9040
(614) 645-8591
(614) 645-6295 FAX

September 3, 2010

Dear Prospective Applicant:

Building Services Division
757 Carolyn Avenue
Columbus, OH 43224-3218
(614) 645-7433
(614) 645-7840 FAX

Economic Development Division
150 South Front Street, Suite 220
Columbus, OH 43215-4118
(614) 645-8616
(614) 645-2486 FAX

Housing Division
50 West Gay Street
Columbus, OH 43215-9040
(614) 645-7795
(614) 645-6675 FAX

Planning Division
109 North Front Street
Columbus, OH 43215-9030
(614) 645-8664
(614) 645-1483 FAX

Land Redevelopment Office
109 North Front Street
Columbus, OH 43215-9030
(614) 645-5263
(614) 645-3092 FAX

www.cityofcolumbus.org

The City of Columbus, Department of Development, Housing Division ("City") receives an annual grant of HOME Investment Partnerships ("HOME") funds from the U. S. Department of Housing and Urban Development ("HUD"). An estimated \$2,500,000 will be available for rental housing projects affordable to low income housing in the year 2010. Although the City desires to provide gap financing for these projects, budget constraints and over subscription to the program have caused the City to limit funding to \$300,000 per project for up to four projects for those applying to Ohio Housing Finance Agency for Low Income Housing Tax Credits. Projects for Permanent Supportive Housing will be limited to the funding stream afforded to Rebuilding Lives Initiative on an annual basis. Any proposed projects which seek to preserve existing affordable housing will be evaluated for gap financing on a case by case basis.

This year applicants must contact the City to arrange to make presentation of their proposed projects to area commissions, neighborhood or civic associations in the area where they propose to undertake development and seek comments from the organization on the proposed project. Contact Mr. Michael Puckett at (614) 645-3219 who will assist you to identify the appropriate organization. These presentation need to be made prior to submitting the funding application to the City. Those developers who seek support letters from the City will need to submit a preliminary application by September 24, 2010. The application will be evaluated and summaries provided to the Mayor and Members of City Council. Those applications that seek funding beyond the parameters outlined will jeopardize their ability to obtain support letters and any inquiry from the Ohio Housing Finance Agency regarding City support for the project will be answered with the concern that the financing request is outside of City funding limits.

Sincerely,

Rita R. Parise, Housing Administrator
Department of Development

cc: Boyce Safford, III, Director

**CITY OF COLUMBUS
RENTAL HOUSING PRODUCTION/PRESERVATION**

**NOTICE OF FUNDING AVAILABILITY FOR PROJECTS APPLYING FOR 2011 LOW INCOME
HOUSING TAX CREDITS OR OHFA TAX EXEMPT BONDS**

September 3, 2010

The City is issuing a Notice of Funding Availability ("NOFA") for rental housing projects affordable to low and moderate-income households that meet the goals and objectives of the City's 2010 – 2014 Consolidated Plan. This NOFA is limited to those projects applying for 2011 Low Income Housing Tax Credits or Tax Exempt Bonds and non-competitive tax credits. The City is seeking projects that serve as many extremely low income households as possible (including elderly or special needs populations with a supportive service component), preserve Section 8 project-based units with expiring HUD contracts, or add to the affordable housing stock in suburban areas near employment centers (either new construction or rehabilitation). Projects that rehabilitate multi-family units that have been off-line for a number of years are also encouraged.

The City of Columbus, Department of Development, Housing Division ("City") receives an annual grant of HOME Investment Partnerships ("HOME") funds from the U. S. Department of Housing and Urban Development ("HUD"). An estimated \$2,500,000 will be available for rental housing projects affordable to low income households in the year 2010. Due to budget constraints and previous year over subscription to these funds, the City is limiting requests to \$300,000 for projects that are applying for Low Income Housing Tax Credits with the exception of Permanent Supportive Housing projects. Requests exceeding these parameters will be summarily denied. Proposed projects which seek to preserve existing affordable housing will be evaluated for gap financing on a case by case basis.

A total of \$1,200,000 will be awarded to 2011 projects. It is estimated that four projects will be funded. Projects will be ranked on the competitive criteria below. In the event of ties based on the City criteria, the City will be looking to OHFA (Ohio Housing Finance Agency) rankings as the tie breaker. As a tie breaker, the City will fund up to two preservation projects in the Preservation Pool and up to two General Pool projects as well as at least one permanent supportive housing project.

Permanent supportive housing projects may seek funding in excess of the limits above. The City has pledged \$600,000 per year for years 2009 – 2013 in HOME funds and \$600,000 per year for years 2009 – 2013 in Capital Bond funds for permanent supportive housing. To the extent that permanent supportive housing projects are successful with OHFA funding, the City will provide funding to the projects based on funding availability as detailed above. In the event that funding is over subscribed, funding will be provided as it becomes available.

FORM OF PROPOSAL – See Application Instructions

Please submit your electronic application via disk and include any attachments:

- A brief narrative description of the proposed project
- A completed application form based on the most accurate information available at the time of submission. All applicants are required to keep the City informed of changes to the proposed project so that the City's understanding of the project is the same as OHFA's.
- All items listed in the instruction sheet for the application

- Evidence of site control (i.e. purchase contract, option to purchase, deed)
- Organizational documents including partnership and management agreements
- Management and development experience, including management and marketing plans, including references from any other projects.
- Evidence of presentation to Area Commission, Neighborhood or Civic Association and documentation of comments

NOTE: Applicant MUST contact Mr. Michael Puckett, at 645-3219 for assistance in arranging to make presentation to the appropriate community organization(s).

THE QUALIFIED ALLOCATION PLAN FOR 2011 FUNDING ROUND NO LONGER REQUIRES LOCAL GOVERNMENT SUPPORT FOR COMPETITIVE POINTS. However, if you plan to request financial support in the form of gap financing from the City, there is a requirement to make presentation to the appropriate area commission, neighborhood or civic association. Documentation of the presentation must accompany the application in order to be considered for funding. If there will be a request for a Mayoral Letter of Support or support letters from City Council, an application for funding must be submitted to Development in order to receive a letter.

Please submit original of the proposal to:

City of Columbus
Department of Development
Housing Division
50 West Gay Street, 3rd Floor
Columbus, Ohio 43215
Attn: Tracy L. Swanson, Program Manager

Requests must be submitted via disk no later than 3:00 p.m., Friday, September 24, 2010. Requests submitted later than the deadline will not be considered. Requests will be opened and logged in for timely submission.

The City reserves the right to reject any and all applications, to request additional information from individual developers, and to allow correction of minor deficiencies at the threshold review. The City may not award all available funds in this round of applications. Funding for special projects may be submitted at any time based on a specific invitation by the City. Funding and invitations for special projects will be based strictly on fund availability and demonstration of need.

THRESHOLD CRITERIA

The attached program guidelines will serve as threshold criteria. Projects that do not meet the guidelines will not be considered for evaluation.

COMPETITIVE CRITERIA

Proposals will be evaluated by the Housing Division Finance staff in accordance with the following weights and points:

CRITERION	POINTS
Number of units affordable to 30% AMI provided (including elderly and special needs)	10
Preservation of Section 8 Project-based housing	15
New construction or rehabilitation of housing near employment centers or in suburban areas	15
Degree to which project is mixed income and/or part of a mixed use development	10
Organizational and management capacity and experience with low income housing	20
Feasibility and readiness to proceed (zoning, plan approval, partnership, contractor and management agreements in place, e.g. logic related to market study, neighborhood and if rehabilitation, degree to which units are market competitive, and least number of uncertainties in project)	10
Degree of certainty of financing commitments	5
Projects that rehabilitate abandoned multi-family properties	15
TOTAL	100

ATTACHMENTS

- **Program guidelines.** The guidelines constitute the threshold criteria. Only those proposals that meet the guidelines will be considered for funding.
- **2010 HUD Income Guidelines for Columbus MSA found at:**
http://www.huduser.org/portal/datasets/il/il2010/2010summary.odn?inputname=METRO18140M18140*Columbus%2C+OH+HUD+Metro+FMR+Area&selection_type=hmfa&year=2010
- **CMHA Section 8 Utility Allowances found at:**
<http://www.cmhanet.com/s8/s8docs/GARDEN-FLAT-HI-RISE%207-1-10.pdf>
<http://www.cmhanet.com/s8/s8docs/SINGLE%20FAMILY%207-1-10.pdf>
<http://www.cmhanet.com/s8/s8docs/DUPLEX-DOUBLE-TOWNHOUSE%207-1-10.pdf>
- **Application form.** All information required in the application must be supplied or identified as “not applicable”.
- **Owner/Investor Package.** Addressing the Federal Requirements relating to relocation and acquisition.
- **City of Columbus Affirmative Marketing Policies and Procedures.**
- **Copies of experience/capacity and site/marketing survey from the Ohio Housing Finance Agency**
- **Section 3 Clause.** Required in all contracts and subcontracts using HOME funds. Information found at:
<http://www.hud.gov/offices/fheo/section3/section3brochure.cfm>
- **24 CFR Part 35. Requirements for Notification, Evaluation, and Reduction of Lead-Based Paint Hazards in Federally Owned Residential Property and Housing Receiving Federal Assistance: Final Rule. Found at:**
http://www.access.gpo.gov/nara/cfr/waisidx_03/24cfr35_03.html

City of Columbus
Department of Development
Housing Division
Affordable Housing Opportunity Fund Guidelines (AHF)

RENTAL HOUSING PRODUCTION/PRESEVATION PROGRAM

The City receives funds from the U. S. Department of Housing and Urban Development (“HUD”) to conduct activities that are in compliance with the HOME Investment Partnerships Program (“HOME”). These regulations can be found at 24 CFR Part 92. The Federal government continuously reviews and from time to time may make modifications that the City of Columbus may have to institute to remain in compliance with the programs.

I. Geographic Location

Within the City of Columbus corporate limits. Priority will be given to rehabilitation of existing low-income housing located within the City of Columbus, new construction near employment centers, Section 8 preservation and projects by CHDO’s in their designated service area.

II. Eligible Property

Any property containing one or more residential units where at least 51% of the rentable floor space of the project is used for residential rental purposes. In the case of mixed-use structures, there must be a plan as well as financing in place for the commercial portion of the property. **The property must be decent, safe and sanitary at time of occupancy.**

III. Eligible Activities

- A. Rehabilitation – The Property must require a minimum of \$5,000 per unit of rehabilitation work.
- B. New Construction and Conversion – Construction of new units and/or conversion of building to residential rental housing.
- C. Expiring Section 8 Projects – Restructuring of projects with expiring Project-based Section 8 or a recent renewal of a section 8 contract that was based upon a recapitalization of the project using tax credits and HOME funds.
- D. Acquisition – For the purpose of developing multifamily or single-family rental housing.

IV. Eligible Applicants

An investor-owner is defined as one of the following:

- A. Sole Proprietor
- B. For-profit and not-for-profit corporations
- C. Partnerships and limited liability companies

V. Beneficiaries

Rental housing projects must serve and be affordable to households earning 60% or less of the area median income as defined by HUD. All rental units funded under the program must, at a minimum, meet HUD HOME funding standards for rents and tenant income. More stringent affordability requirements may be applied to projects based on intentions set forth in the applications for funding or needs identified in the Consolidated Plan.

The number of HOME-assisted units will be calculated as a ratio of HOME dollars to total project cost. A correlation of funding sources will allow for disclosure of the information in this application. In any project consisting of 20 or more HOME-assisted units, rents on at least 15% of the units must be affordable to households earning 30 percent or less of the area median income and occupied by households earning 40 percent or less of the area median income.

VI. Types of Projects

- A. Single family rental units
- B. Multifamily rental units (2 or more units)
- C. Supportive Housing for persons with special needs (supportive services included)
- D. Single Room Occupancy (SRO) units

VII. Financial Assistance

Financing conditions are:

- A. Loans: The amount and terms of the loan will be structured based on the minimum required to make the housing affordable. This enables the City to maximize affordable housing production with the resources available.
 - 1. The City may invest up to 50% of project costs after a 5% equity contribution to a maximum of \$15,000 per unit.
 - 2. Term – negotiable up to 30 years
 - 3. Interest rate – negotiable up to 8% or the Applicable Federal Rate at time of closing if required for LIHTC projects.
 - 4. Equity required – minimum of 5% of total project costs. Equity can be in the form of donated labor or materials. Labor and materials will be valued at industry standards. Donor must provide evidence of donation.
 - 5. The assumability of loans will be addressed on a case-by-case basis depending on the project requirements.
 - 6. Project must achieve a Debt Coverage Ratio of 1:1 in the first stabilized year.
- B. Grants
 - 1. Grants in the form of forgivable loans may be available for projects servicing the homeless, special needs populations or lowest-income households (households earning 30 percent or less of the area median income). These grants will be considered on a case-by-case basis.
 - 2. Funds may be available from another funding source to cover cost of identified lead-based paint hazards.
- C. The owner must execute a restrictive covenant to ensure a minimum period of affordability as outlined below.

Per Unit Assistance	Minimum period of affordability in years
Rehabilitation or Acquisition of existing housing	
Amount of HOME funds	
Under \$15,000	5
\$15,000 to \$40,000	10
Over \$40,000	15
New construction or acquisition of newly constructed housing	20

If there is an FHA insured loan on the property, the period of affordability will be the term of the FHA loan or the period defined above, whichever is longer.

D. Eligible Projects Costs include

1. Acquisition
2. New Construction
3. Rehabilitation that addresses the following items:
 - a. Correction of all building code violations/incipient code violations
 - b. Making energy efficiency improvements
 - c. Making general property improvements

E. Eligible Soft Costs include, but are not limited to, the following:

1. Loan Origination fees
2. Credit reports
3. Title reports and updates
4. Recordation fees
5. Preparation and filing legal documents
6. Appraisals
7. Attorney's fees
8. Loan processing fees
9. Architectural fees
10. Engineering fees
11. Preparation of work write-ups/cost estimates
12. Audits
13. Affirmative marketing and fair housing
14. Construction management
15. Environmental testing and/or site cleanup (not related to lead-based paint testing)

F. Donated labor and materials must be clearly identified in project specifications.

G. City will not reimburse an applicant for costs related to:

1. Legal Organizational or syndication expenses associated with development of low-income housing tax credit projects
2. The creation of the organization itself
3. Construction contingency fund – 5% - 10% of hard construction/rehab costs (no City reimbursement)
4. Developer's fees, defined as compensation for profit and/or risk. Maximum allowable developer's fee, 15% of total project costs
5. Costs incurred prior to the agreement between the City and the applicant

H. City may elect to target funds to specific project costs.

I. The final 10% of the rehabilitation and construction payments will be available only after final inspection is completed and final certificate of occupancy is granted.

VIII. Additional Obligation for Funds

A. Relocation

If either of the following conditions applies, there are certain obligations that must be met to ensure federal compliance. Please contact **Joe Gothard, Program Manager, Office of Relocation and Acquisition Compliance Services**, prior to submitting an application. The Relocation Office is located at 750 Piedmont Road, 645-7452.

1. You have acquired the real property within the last year or plan to purchase property as part of the project and/or
2. There are occupants in the property

B. Historic Review

Clearance from the City of Columbus, Historic Review Preservation Officer. The rehabilitation must comply with Section 106 standards by the Secretary of the Interior.

C. Environmental Review

The project must receive Environmental Review clearance as defined by the National Environmental Policy Act, including the Historic Preservation Review.

D. Federal Prevailing Wage requirements will apply to projects in which the following numbers of units are funded:

1. CDBG funded projects – eight or more contiguous units
2. HOME funded projects – twelve or more HOME-assisted units

E. Title X - 24 CFR Part 35 regulations apply

F. Applicants are required to submit their proposals to the appropriate Area Commission or, in areas not covered by an authorized Area Commission, to the appropriate coalition of civic associations for disclosure and review **prior to submission to the Department of Development.** All proposals lacking documentation as supplied by the Area Commission will be considered incomplete and will not be considered for this funding round. For assistance in identifying the appropriate reviewing agency, please **contact Michael Puckett at 645-3219. Please be advised the area commission process can take 2 – 3 months. This process should be started as soon as possible.**

IX. City Reservation of Rights

The City reserves the right to waive the provisions of these guidelines within the limits of the Federal HOME, CDBG, City and State regulations in order to advance its mission and the goals of the Consolidated Plan. Such waiver shall not be construed as a general set aside of the provisions and is at the sole discretion of the Director of the Department of Development.